

**JYOTI NIVAS COLLEGE
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HR TRIALS IN VUCA WORLD

INTRODUCTION

The jargon VUCA (Volatility, Uncertainty, Complexity, Ambiguity) was initially coined by the US Army War College with the aim to indicate the dangerous conditions in Afghanistan and Iraq in 1990s. Successively, the term was adopted by business leaders to narrate the drastically changing global business models. In addition to the changing business models, there is also change in the taste and preferences of the customers, alternatives available to the customers and price wars are adding fuel to fire. It was good enough in earlier days, if managers drafted their plans to deal with uncertainty but in the present days of business one has to actively tackle uncertainty and that calls for the leaders to be very active and swift.

Evidence shows that the developing countries are enjoying a substantial growth in Gen-Y and Gen-Z in the organizations. India, particularly is enjoying a huge share with over 50 per cent of its employed people below the age of 32 years. Actually, by 2030 India will surpass China as the country with the major population in the young working age. Gen-Y is better placed in using organizational technologies than Gen-X and the Baby boomers.

Also, this generation usually is not comfortable to be restricted by the Lakshman Rekha of the companies and looks for greater amount of freedom in the working environment. Organizations are offering an environment that facilitates the HR department to advance its operations and increase the proximity to the employees. All four technologies namely, Social, Mobile, Analytics and Cloud are equally important in making the employees feel great working in the organization.

Volatile - In a more volatile world, periods of stability can seem like a thing of the past. Instead we have more instability, wider fluctuations and often very rapid and unexpected change. No wonder many people see change as the only constant, and HR professionals find themselves constantly re-organizing the re-orgs' as their organizations endeavor to respond.

Uncertain - With so much volatility, not only is the future unlikely to be much like the past, but the present is often very different too. Information is incomplete because it is changing and there is too much going on to know it all. That increase in uncertainty makes it much harder to figure out what's happening today, let alone trying to understand what organizational form and capabilities might be important in the future.

Complex - Uncertainty is amplified still further by complexity. The technological ease of connecting with people far and wide has created more interdependencies and feedback loops than ever before. Within those intricate and multilayered networks, actions can have unintended consequences which cannot be predicted. The risk for those designing organizations is, change one thing and you might well change everything!

Ambiguous - 'Unknown unknowns' abound in complex, uncertain and volatile environments and so ambiguity increases. Where no precedents exist, it becomes ever harder to reach clarity and agreement about the meaning and significance of events. Thus, increase in doubt and hesitancy making it easy for inertia to take hold. Therefore, in a highly ambiguous environment it can be difficult to reach decisions about organization design strategy.

CHALLENGES

1. TECHNOLOGY



The force of technology: With the advent of technology, the world is becoming more complex. Technology plays a major role in the VUCA (volatile, uncertain, complex, ambiguous) world which has a direct impact on the organizations working in this world.

Technology is impacting organizations in a big way. Firms are totally dependent on technology, manual operations and jobs are replaced by automation. Cloud and big data, artificial intelligence is the life cell of emerging new age organizations. Technology and its various outputs are free in human effort and intervention. Industry is impacted through technological descriptions that changed the way firms have been doing business in the past. Been prepared for coping with technological descriptions as a big key for competitive advantage.



Artificial Intelligence: Ten years ago only one in six people worldwide used the internet, but today the fraction is one in two. About 3.8 billion people now use the internet globally. Of them, 2.8 billion people use social media. The main reason why AI poses the challenge is when it fails to distinguish between uncertainty and risk. Artificial Intelligence is developed based on the known facts and data which show that it cannot frame a proper judgment if there is an uncertain event. It cannot formulate rational decisions with regard to the uncertain events in the businesses. If the risks are known it forms the judgment based on the past available data as it does not have a natural thinking like human brain.



Leverage technology: One key ingredient for any business to succeed in the VUCA world is to innovate. The people practice of any organization should leverage on technology and innovate in the areas like hiring, background checks, talent management, performance management, communication and information desk, employee forms etc. This will help in faster decision making and move to leaner HR structure yet focusing on delivering the desired result much faster than before. Today the world is move from desktop and laptop to mobile and apps. It is not far from reality when the employee life cycle will get managed through mobile apps and physical presence of HR in locations will be a matter of the past.

Advent of technology in the health and medicine: In today's world, technology plays an important role in every industry as well as in our personal lives. Healthcare is definitely one of the most important out of all of the industries that technology plays a crucial role in. It is helpful in improving and saving countless lives all around the world. One such invention in the medical field is robotic surgery. Robotic surgery is a new and improved way to make important procedures more precise and effective. Compared to traditional surgery, the robotic option appears to be a wise choice for many patients.

Robotic and traditional surgeries are constantly compared around ever since the field started to gain attention in the medical field. Both types of surgeries have their advocates, and some surgeons suggest the best option depends on the particular medical case.



In traditional surgery incisions are usually large while they are relatively smaller in size in robotic surgery. As a result, the scarring is very small and hardly noticeable. Robotic surgery often gives patients less pain naturally means less pain management with fewer drugs. The surgery is more comfortable and patients are more

inclined to heal rapidly. Post-operative time is significantly less than with traditional surgeries which makes hospital stay much shorter. Isn't it great? With smaller incisions, less hospital time and fewer pain meds, the end result of robotic surgery is usually a quicker return to normal life.

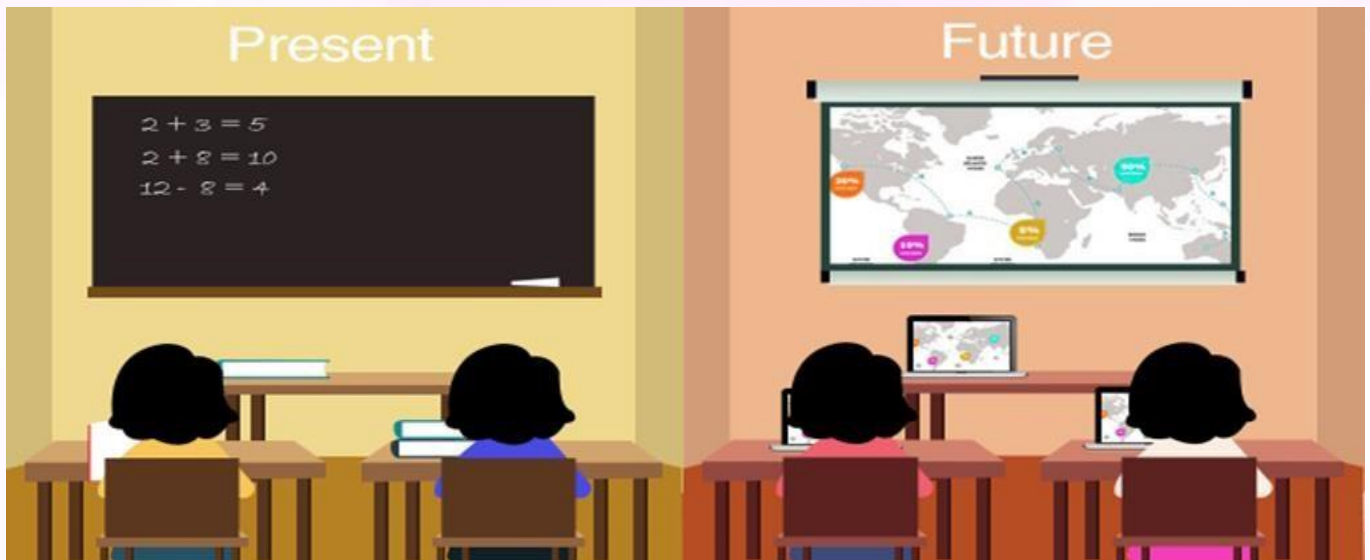
Agricultural sector. As any other industry VUCA plays a prominent role in agriculture industry as well. For supply chain leaders the topic is specially challenging. VUCA is uniquely critical in agriculture industry because it underpins everything on earth from demographics and political stability to human health and social justice. VUCA in Kellogg's starts with simplifying the work across thousands of direct supply chain employees and stabilizing a supply base that comprises 1600 foods sourced from 20 countries. It focuses on cost this strategy encourages bigger thinking about value. We can understand how long-term environment trends like water shortages and threats to biodiversity interact with consumer trends like millennials preference for "real" food to create revenue opportunities.

Kellogg's commitments upstream with farms-many in emerging markets - that lack the visibility, power to stay ahead of technology and the market trends capable of ruining them. Globally, agriculture employs in the region of 1.3 billion people, 25% of all greenhouse gas emissions on the planet. Climate change also plays a major role, bringing consumer demand trends together with education, engineering, private and public partnership and other upstream in the world's farms is vital to build the agility, contend within the VUCA world.

Education technology. Technology is present in many education systems. The digital revolution offers fresh learning prospects. Students can learn online even if they are not inside the classroom. Advancement in technology entails new approaches of combining present and future technological improvements and incorporating these innovations into public education system. With technology incorporated into everyday learning, this creates a new environment with new personalized and blended learning.

Students can complete work based on their own needs as well as having the versatility of individualized study and it evolves the overall learning experience. Technology space in education is huge. It advances and changes rapidly. Example: In United Kingdom, computer technology helped elevate standards in different schools to various challenges. The UK adopted the "Flipped Classroom" concept, after it became popular in United States.

However, in many ways technology has profoundly changed education. For one, technology has greatly expanded access to education. In medieval times, books were rare and only elite few had access to educational opportunities. Individuals had to travel to centers of learning to get an education.



Today massive amounts of information are available at one's fingertips through the internet and opportunities for formal learning are available online worldwide through the MOOCs, podcasts, traditional online degree programs and more. Traditionally, classrooms have been relatively isolated and collaboration has been limited to other students in the same classroom or building.

Today technology enables forms of communication and collaboration undreamt. Today's technology projects are said to be like "changing tires on a car while driving". Projects, especially in IT have moved to a more volatile agile delivery method in the past.

2. GLOBALISATION

Globalization refers to a radical change of the world into a global economic village where there is more economic activity and better relationship between countries. Globalization has good and bad effects in a country. One of the major reasons for such VUCA world's globalization is today's present situation which results in diversity and globalization. There can be either positive or negative impact on society due to globalization i.e. we need to appreciate opportunities and challenges at the same time which may also lead to inefficiency and miss opportunities.



There is an increase in the global competition and changing economic reality which leads to finding a newer way to sustain in the VUCA world. Hence, the organizations find it difficult to reduce the cost and simultaneously increase productivity. Due to increasing competition in global economy, organizations find newer ways to sustain in VUCA world and also they are finding it hard to maintain the profits. Issues like merges, acquisitions, downsizing and restructuring are continuing rapidly.

One of the major challenges is to ensure you have the capabilities to find, develop, compensate and retain the talented individual. Many organizations have adopted flat structures, eliminating layers to reduce cost and improve customer response. Globalization has not only brought change in economic, social and technological environment but also in people's mentality and the way they try to interact with the world.



Today any changes which occurs in Asia, America or Europe has a direct impact on customers in the world wherever they may be. Hence, leading to increase in competition domestically and internationally. Leaders are finding it difficult with emergence of a challenging task of learning which has to lead in the VUCA world which includes situation of volatility and uncertainty in the business environment. The major challenge faced by owners and managers today is how to sustain and build successful operation in the rapidly changing environment.

VUCA leaders are expected to be flexible and focused to keep people motivated. This helps the VUCA world to get an opportunity for development and also greater collaboration.

3. ORGANISATIONAL RESTRUCTURING

Organizational Restructuring is when a company's business model has changed due to internal or external factors and needs to adapt in order to survive and ultimately grow. This may result in a downsize, upsize or reshuffle of staffing requirement. The concept of VUCA is gaining new relevance and the leadership required to navigate it successfully.

Leading in VUCA world that is volatile, uncertain, complex and ambiguous not only presents a challenging environment in which leaders must operate and for executive development programs to have an impact but also open doors to a range of new competencies that are required in order to succeed. The preparedness and agility to handle the situation at hand and still prevail is a valued skillset in the VUCA world.

Today's leaders must be equipped with the mental, emotional and interpersonal preparedness for uncertainty and risk. Unpredictability is itself a hallmark characteristic of complexity. What made for successful leaders in the Industrial Era (i.e. technical expertise, personal strengths such as charisma and vision and an organizational focus on efficiency through initiatives such as Six Sigma) simply won't work in the rampant unpredictability of the VUCA era.



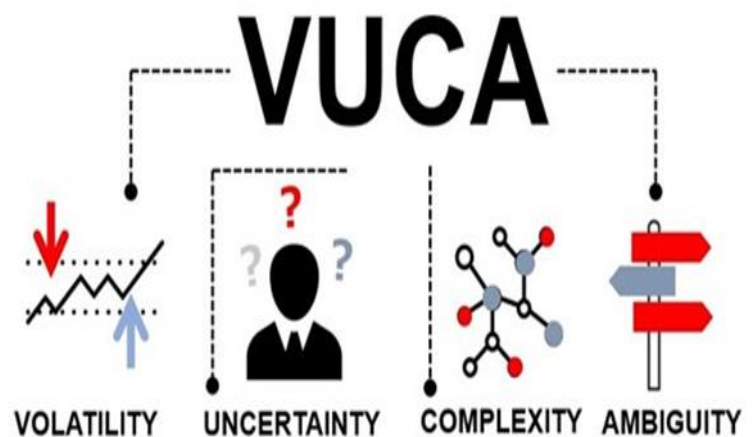
The leader must be open to new behavior or opinions and willing to adapt or discard existing values if and when necessary to adapt to the new world, should be filled with lively energy with sense of passion and optimism in engaging the team and other stake holders, proficiently change and evolve the learning organization with next-gen leadership competencies including cognitive readiness, critical thinking, and

emotional/social intelligence amongst others, Build trust-based partnership with teams as well as externally with other stakeholders including customers and suppliers.

In a highly competitive VUCA (Volatility, Complexity, Uncertainty and Ambiguity) world, enterprises are resorting to aggressive restructuring measures to meet consumer expectations and retain profit margins. Following this, business decision makers are increasingly outsourcing non-core processes including complex payroll operations to divert their resources purely on revenue generation processes, as per payroll outsourcing giant, pay square.

According to a major business leader, "The emergence of disruptive technologies has opened the doors for unconventional revenue models, which are being tapped by every major enterprise in India. While technology is the key revenue differentiator for these organizations in a VUCA World, they have also realized the business benefits of outsourcing legacy in-house operations like payroll". Payroll outsourcing enables

enterprises to significantly improve on their productivity by saving time, efforts and costs consumed by in-house payroll operations. Add to that the payroll outsourcing providers are also warranting unprecedented efficiency with zero scopes for errors in a norm bound process like payroll in India.



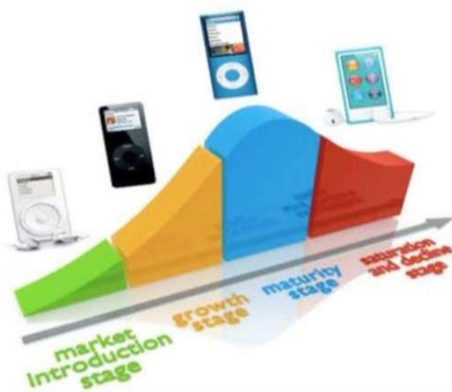
Enterprises across the globe are now leveraging next-generation technologies to tap in on unique business opportunities. This is disrupting the business landscape across the globe including India. A large number of enterprises are being led by young business leaders who are adopting a peculiar approach when it comes to allocation of funds, zeroing in on revenue generation processes and outsourcing non-core processes including payroll.

While it's the most crucial aspect for employees, payroll is just another major expense to a business which involves housing finance department and HR personnel. Since the majority of enterprises are now shunning low-profit operations, young business leaders are rapidly recognizing the immense benefits of payroll outsourcing. Payroll outsourcing also offers highly scalable services to enterprises as per their budgets and customized requirements. The different modules offered by the payroll outsourcing vendors address the complexities of each company.

Right from crediting salaries to performing a cost analysis, preparing reports, maintaining master payroll and adhering to complex regulations, outsourcing payroll has come as an end to end service for enterprises, particularly those in the process of restructuring operations. However, we need leaders who can navigate through the times of uncertainties and ambiguity. We need leaders who have a creative mindset to approach different complexities and risks differently. The future will be led by leaders who will have the ability to create and realize innovative solutions primarily in the face of structurally complex or changing situations.

Renowned scientist, Louis Pasteur who invented the pasteurization process said that “fortune favors the prepared mind.” The leaders need to be prepared to lead in times of Volatility, Uncertainty, Complexity, and Ambiguity. This is the new reality!

4.SHORTENING PRODUCT BUSINESS CYCLE



With the advent of technology many enterprises are trying to cope up with the modern methods of production, distribution, marketing etc. that is prevalent in this respective industry to overcome the digital disruption that they are prone to face.

The hardship of an enterprise does not limit to its lack of digital knowledge, adding to the environment in which they are functioning, that is where the VUCA world comes into picture.

Functioning in a Volatile, Uncertain, Complex and Ambiguous environment is not an easy task. It calls for consideration of various factors that influence the functioning of an enterprise.

A Product life cycle plays a vital role in the formation of a product i.e. from introducing a product to its growth, attaining maturity and then declining in the process. There are various reasons associated to the movement of the product to different stages in a cycle. In the same manner the business cycle also functions. Mobile, E-Commerce, Cloud, Big Data have changed consumer behavior and business models dramatically and yet there are barely phase with artificial intelligence, robotics, machine learning, block chain and “Internet of Things” dominating mindshare with rapid

technology changes and hyper competition the product and business cycles are shrinking dramatically.

It does not take much time for the hunter to be hunted. Consider the example of the Indian IT Industry. It created the global outsourcing industry and has been a big disrupter over the past 20 years. However, it is now facing severe growth challenges and has to re-invent itself else it is at risk of getting disrupted itself.

The combination of technology, innovation, shortening, business cycle, hyper competition and shifting of traditional markets is creating unprecedented uncertainty and high velocity of change. It can be best described as a VUCA world- the challenges in shortening product business cycle:

V - Volatility – The dynamic changes in the product, the nature and speed of change forces and change catalysts.

U - Uncertainty- The lack of predictability in innovation, prospects for surprise and the lack of sense of awareness and understanding of issues and events.

C - Complexity - The multiplex of forces, the confounding of issues, no cause and effect chain and confusion that surrounds the organization.

A - Ambiguity- The haziness of reality, the mixed meaning of conditions.

Few challenges of shortening product business cycle in VUCA world are market acceptance of the product, establishing market presence, dealing with increasing customers and changes to be done as per their needs and wants moving to new products, adding new product/services, increasing market competition and exit strategy. Unpredictable events happen inside and outside, an organization can be negative or positive, in the present VUCA world which makes it more difficult for leaders to make decisions.

The business cycle is not new and cycles seem to be inherent in the economic system. They are regular and are unpredictable, although after the event some may claim to have predicted them. A few economic commentators regular predict an imminent downswing or upswing. The best way to overcome challenges in shortening product business cycle is to stay close with the customers, knowing their wants, adaptability toward the changing technology and encourage innovation.

5. WORKFORCE DIVERSITY

We live in an interconnected world where organizations are multicultural, in this era of globalization diversity means more than race and gender. Diversity in the workplace includes Race, age, generation, personality, thinking style, gender, ethnicity, disability, native language, sexual

orientation and communication style. In current scenario employing diversified workforce is a necessity for every organization but managing such a diversified workforce is truly a challenge.



The biggest Diversity Issues in the workplace

Diversity and Inclusions: - Diversity and inclusions are important for a successful and productive organization. For the leaders, diversity and inclusions are not about managing diversity and inclusion rather it's about creating a culture of respect, trust and celebrating differences across the organization. In the VUCA world leaders need to create a culture that fosters agility.

Differences in language and Communication: - Groups with different nationalities and native languages are the ones most affected, communication barriers are ever-present in companies with a diverse workforce and it can lead to miscommunication and conflicts. A diverse workforce led to challenges for management, sometimes the meaning of the message can be interpreted differently and cannot be completely shared talking to people in a VUCA world won't work, we need to make sure it is a conversation and people do engage with each other.

Generation gap - Generational diversity has a deep impact on workplace dynamics, hiring people from different generations with different personalities, motivating and encouraging them towards achieving the organizational goals is a challenging task. The young adults are enthusiastic with a wide range of interests and progressive attitude whereas the middle-aged audience have more knowledge and experience of life but may not be very enthusiastic, maintaining a balanced environment is difficult in VUCA world.

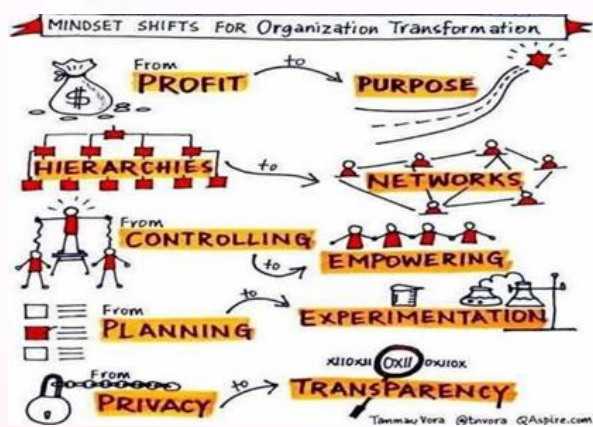
Gender equality: - Most of the organizations will hire men over women and men more likely to be promoted to a managerial position than women. Additionally, men earn higher base pay than women. In the past, women were paid less than men, but equal pay act has changed that. In recent years, there has been influx of women in the workplace, employers need to prevent gender discrimination and maintain equality regarding hiring, salary, opportunities and promotions.

Different understanding of professional etiquette: - Diversified workforce will bring in different workplace attitudes, behaviors, values, beliefs and etiquette, this can cause misunderstanding or ill feeling between team members and dealing with conflict can prove an issue.

Acceptance and respect: - A fundamental value that contributes to a successfully diversified workplace is respect among workers and employees. When there is a lack of acceptance of the diverse cultures and beliefs among employees, conflicts may arise. Sometimes, this conflict turns to animosity and may even effectuate situations of violence, when employees accept the differences between each other, it results in a sharing of ideas and effective collaboration.

Ethnic and cultural differences: - Issues from ethnic and cultural differences are still present in the workplace. There are still some individuals who hold prejudice against people who have different ethnic, cultural and religious backgrounds as their own. This prejudice and discrimination should never be tolerated in the workplace. Internal company policies and cultural sensitivity training and diversity awareness programs in the workplace can help address this issue.

6. ENERGY RESOURCES



The VUCA business world is about efficiency, power consumption and applying green policies and practices for making smart business decision making. Going green is becoming increasingly attractive as a business strategy. Green HR practices not only help for branding but also it increases organization revenue and cost cutting.

The various practices companies must adopt with the changing environment include:

Automatic Shutoff: Management should install star labels for electronic products. By installing star labels it will automatically shut off the system when it is not in use. It will reduce cost by being energy efficient.

Green Employer: Organization should recruit employer or employees who are aware about green environment and green HR practices. Management should recruit them at right time and at right

place. By recruiting green employer, which may improve employer branding as well as staff motivation, employee engagement motivation, employee engagement.

Green Team: Creating green teams among employees will help to identify green issues and also it provides specific solutions for the problems, this makes organization to operate more environmentally sustainable. Such teams will educate, inspire and empower employees regarding green environment and green issues.



Green Office Products: Management should use power strip for electronic products that can be turned on and off at frequent intervals. By using remanufactured ink, toner cartridges and PCR papers, this gives savings in operational expenditure as well as reduces cost by being energy conservation.

6. GEO POLITICAL UNCERTAINTY



A rise in isolationist, protectionist sentiments and political tensions has triggered tariff tit-for-tats, economic sanctions and uncertainties. In 2019, these geopolitical and geo-economic risks are expected to increasingly affect businesses by threatening economic slowdowns and disruptions to supply chains.

North America - Following the longest shutdown of the US government at the beginning of the year 2019, domestic politics in the US are expected to become more combative. A divided Congress is likely to hold up policy formation and enactment. Trade tariffs could escalate. Bilateral relations with Russia are unlikely to improve.

Europe - Elections in multiple European countries are expected to cause transitions. The EU could face a leadership vacuum in a key member nation if German chancellor Angela Merkel steps down early.

Middle East - The ongoing conflict in Syria could raise tensions between Russia and the US. Following the US withdrawal from the Iran nuclear deal and re-imposition of US sanctions on Iran, the US could

increase pressure on Iran and raise the possibility of a military confrontation. That could disrupt global oil supplies.

Asia Pacific - Border tensions between north and south Korea are expected to decrease. Tensions between China and the US over tariffs, human rights, and technology transfers continue. Also, China's economic growth is expected to slow below 6%.



The annual 'Global Risks Report' by Geneva-based World Economic Forum (WEF) also flagged massive incidents of data fraud and large-scale cyber-attacks among the biggest risks in terms of likelihood, while it also listed increasing polarization of societies and growing wealth disparity among key concerns.

CONCLUSION

While the nature of challenges, solutions and skill requirements in this VUCA world will vary from one organization to another, it is imperative that organizations acknowledge that traditional methods of working will now seldom yield desired results.

Technology is essential for any business to function efficiently and effectively, by keeping up with changing technology trends will help business, for improving customer service and stay ahead of the competition. The globalization plan must have clarity in every aspect of its target market like identifying, understanding and relating to the actual customers, their culture, needs and buying habits. Lack of an identified target audience makes it impossible to create a persuasive sales pitch and communicate with future consumers.

In a highly competitive VUCA world, enterprises are resorting to aggressive restructuring measures to meet consumer expectations and retain profit margins. Enterprises across the globe are now leveraging next generation technologies to tap in on unique business opportunities. To sustain in the market the companies have to be proactive and anticipate the future and continuously develop new product and services. The companies have to change more fundamentally, they need different business models, different leadership and different way of interacting with each other and must adopt fresh approaches to management.

In this VUCA world to have a competitive edge and have increased productivity, it is indispensable to honor the individual differences, and diverse wellbeing is to be created for personnel, so that they can gain access to opportunities and challenges. During the last 50 years human have greatly altered and degraded the biosphere. The new way or direction for conservation of resources is to

build and maintain ecological resilience as well as the social flexibility needed to cope innovate and adapt to rapid change.

It is important that the business takes regular stock of geopolitical risk in order to build business resilience and ensure market development. It can be done by bringing geopolitics to the boardroom as political events can be exploited by competition if the business is not prepared hence making forward thinking crucial. Given the dynamic and disruptive business environment that we live in today, organizations must take necessary measures and be prepared to adapt to rapidly changing situations to ensure that they continue to thrive and succeed. Investing in the right strategies and people resources are the foundation for the long-term success of an organization.

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